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Emphasizes Connection Between Broadband Access and Job Creation; Calls on the FCC to Include Universal Broadband Adoption in National Broadband Plan

WASHINGTON, D.C. – Representative Doris Matsui (D-CA) joined Congressional, telecom and communication industry leaders for an ideas forum today, organized by Third Way, which focused on why broadband investment should top the list of ingredients America needs to create jobs, spark innovation and grow the economy in the long term. Congresswoman Matsui's remarks, as prepared for delivery, are as follows:

"Last week during the State of the Union address, the President made it clear that the top priority of his Administration and this Congress must be jobs, jobs, jobs. Unemployment is hovering at 10 percent, and many more Americans are under-employed. But there are an increasing number of signs that our nation's economic recovery is underway. And as we continue our path towards economic recovery, broadband investment will be key to spur job creation, innovation, and long-term economic growth.

"There have been a number of studies showing the correlation between broadband investment and job creation, including a study from the Information Technology and Information Foundation (ITIF), who estimate about 250,000 jobs are created for every \$5 billion in broadband investment.

"Broadband access is also key to finding a job in today's economy. As both large and small businesses begin to hire new workers, a majority of job postings are now being advertised on the internet, which has become the primary mode for collecting resumes nowadays. These days about 75 percent of all U.S. employers now require job-seekers to apply online. And a recent study by the Phoenix Center found the correlation between employment and internet access is growing stronger; and 50 percent of those with broadband access are less likely to give up job searches or drop-out of the labor pool.

"Americans also need affordable and convenient internet access for educational purposes, to compare health care options, and to obtain emergency information - and everything in between. Through the American Recovery and Reinvestment Act, Congress invested \$7.2 billion to expand broadband access and opportunities to more Americans residing in rural unserved areas, and urban underserved areas. I am also pleased that NTIA has announced that they will prioritize funding for anchor institutions, like schools and libraries, during the second round of B-TOP grant process.

"For many Americans, a local community anchor institution serves as their only reliable forum to access a broadband connection to apply for jobs, apply to college, and obtain information. In most cases, they are forced to commute miles to the nearest school or library to access a broadband connection because they can't afford to pay for a computer or the cost of broadband services.

"As part of any comprehensive plan to increase broadband access to more Americans, it is critical that we also address the affordability barriers. Approximately 96 percent of all Americans have the option to order at-home broadband services, but less than 65 percent actually subscribe. Current prominent studies strongly suggest that broadband adoption rates are largely associated with income. In fact, the Public Policy Institute of California study shows that only 58 percent of Californians earning under \$40,000 a year subscribed to either dial-up or broadband at home, but 97 percent of those earning \$80,000 or more a year subscribed to either one of the services. And a national study by the Pew Institute, shows a similar connection between income, and broadband adoption rates throughout the country.

"It is clear that millions of Americans simply can't afford to pay up to \$60 a month broadband services. I've heard from many of my constituents in Sacramento, who are concerned about the high costs of broadband services. I've heard from a woman who is living off a fixed income, and is counting her pennies each month to make ends meet. If her internet service goes up "by one cent" - she says she will have to drop it. Another one of my constituents, who is disabled, can't afford in-home broadband services, and is forced to commute miles to the nearest library to access the internet. And there are many more who simply can't afford the expense - and are on the other side of the digital divide. It is clear that lower-income families in urban and rural areas are severely disadvantaged, in large part, by the high cost of broadband services.

"To help close the digital divide in this country, I've introduced the Broadband Affordability Act, which would direct the FCC to create a program for universal broadband adoption, similar to the current lifeline assistance program within the Universal Service Fund. The legislation will ensure that lower-income Americans have access to affordable broadband services. In doing so, households which currently possess broadband installation options, but have not subscribed because of cost would no longer be unserved or underserved.

"The Broadband Affordability Act will have a significant impact in my home state of California, where nearly 2 million households participate in the Lifeline assistance telephone program. More than 25,000 of my constituents in Sacramento currently benefit from the program. A lifeline program for broadband will have significant tangible benefits for lower income households residing in urban areas. It will also greatly benefit consumers in rural areas, as more rural telecom providers will build-out to unserved areas knowing that there will be more consumers able to afford broadband services.

"Moving forward, I will continue working with Chairmen Waxman and Boucher, and my colleagues to ensure that a path to universal broadband adoption becomes a reality this year. I'd also like to applaud Chairmen Rockefeller and Kerry, along with Senators Kay Bailey Hutchinson, Mark Pryor, Olympia Snowe and Mark Warner for introducing a similar, bi-partisan measure in the Senate.

"In closing, the FCC has an historic opportunity to set out a plan to ensure all Americans, including lower-income families, have access to affordable broadband services. As the FCC continues its work on the National Broadband Plan, I

urge the FCC to include universal broadband adoption - similar to my proposal - in its set of recommendations to reform the Universal Service Fund.

“In my view, the creation of a broadband adoption program within the Universal Service Fund represents one of the most effective vehicles to truly close this nation’s digital divide. I look forward to continue working with my colleagues and the FCC to make this a reality.”

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